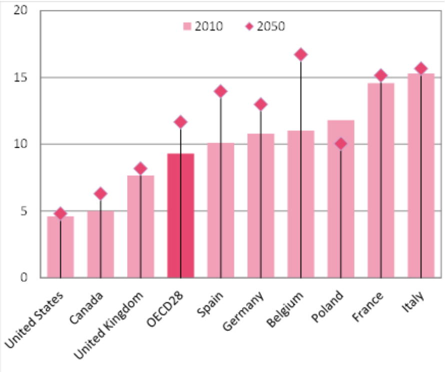
Pensions at a Glance 2013

Financial sustainability

1. The cost of public pensions is set to increase further in many OECD countries… from an average of 9% of GDP in 2010 to 12% in 2050.

Projections of public expenditure on pensions, 2010 and 2050, % of GDP

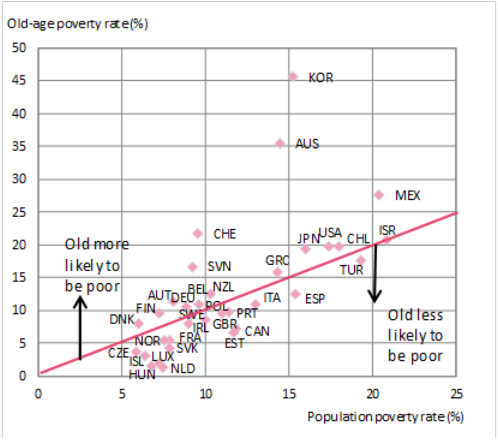


Source: OECD (2013) Pensions at a Glance, based on data from European Commission (2012); Canada: Office of the Chief Actuary; United States: Social Security Administration (2010).

Adequacy

2. In 18 out of 34 OECD countries people aged over 65 are less likely to be poor compared to the population as a whole.

Income poverty rates by age, 2010

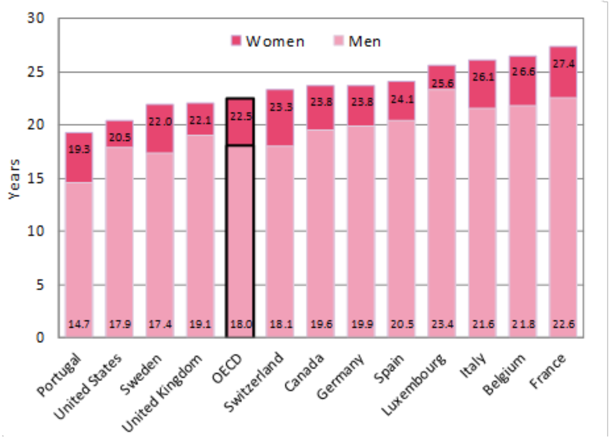


Information on data for Israel (ISR): http://dx.doi.org/10.1787/888932315602.

Ageing

3. The number of years people will spend in retirement varies widely across the OECD: it is highest in France (23 years for men and 27 for women) and lowest in Mexico (13 years for men and 17 for women).

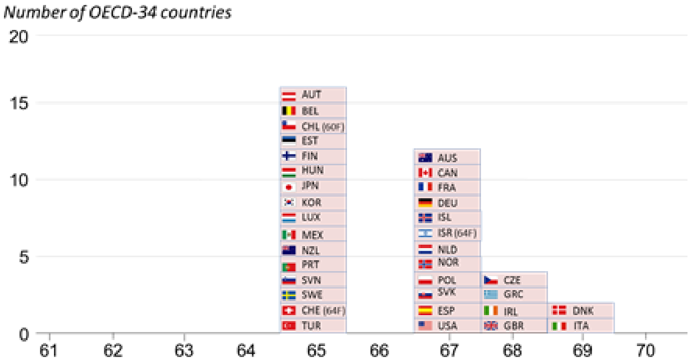
Expected years in retirement calculated from average age of labour market exit, by gender, 2012



Policy response

4. In the future, the pensionable age, or the age at which people can retire without penalty, will be at least 67 in most OECD countries.

Long-term pensionable ages

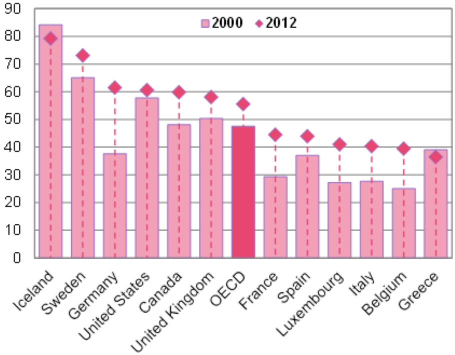


Information on data for Israel (ISR): http://dx.doi.org/10.1787/888932315602.

Labour market

5. More people in the age group 55 to 64 are working than before: nearly six out of ten, compared to less than one in two in 2000.

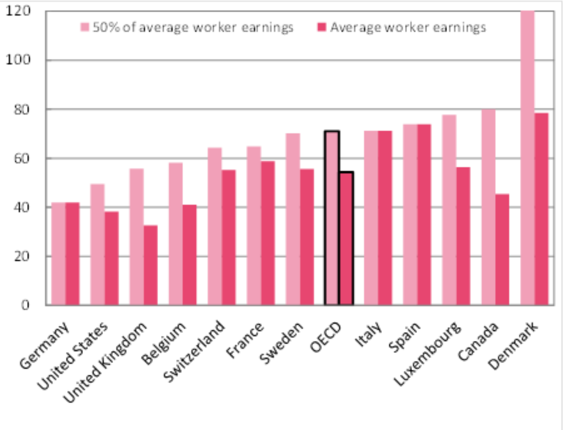
Participation rates of older workers 2000 and 2012



Pension entitlements

6. Pension entitlements for future retirees will vary widely across the earnings distribution. Low-income earners will generally be protected and will have pension replacement rates of 70% of their lifetime earnings for a full career, compared to 54% for average worker earners.

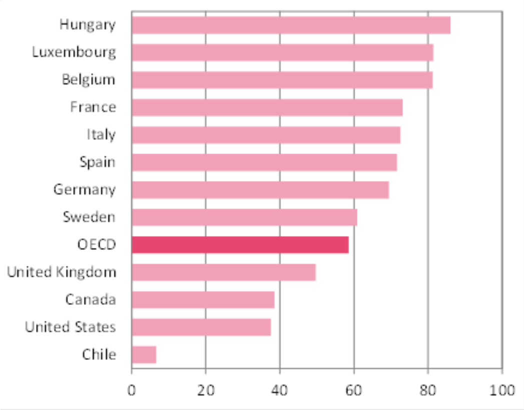
Future gross pension replacement rates as a percentage of individual lifetime salary



Income sources

7. Public transfers represent 59% of the income of the elderly on average. But in a majority of OECD countries, public transfers make up an even higher share of people's retirement income.

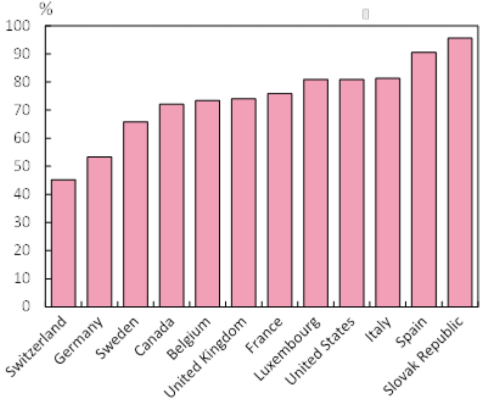
Percentage of public transfers in the income of the over-65s, late 2000s



Wealth

8. Older people often have other assets such as housing. Home ownership is high amongst the elderly, averaging 76% across 28 OECD countries, with a low of 45% in Switzerland and a high of 96% in the Slovak Republic.

Home ownership among people aged 65 years and above in selected OECD countries, 2011



OECD (2013), Pensions at a Glance 2013
- OECD and G20 Indicators

www.oecd.org/pensions/pensionsataglance.htm

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BETTER POLICIES FOR BETTER LIVES